DCUSA

DCUSA CHANGE PROPOSAL WORKING GROUP - TERMS OF REFERENCE - DCP 268
PART A - GENERAL

1 ESTABLISHMENT OF THE GROUP

1.1 DCUSA Working Groups are established by the DCUSA Panel in accordance with Clause 7.24 of the DCUSA.

1.2 Part A sets out the General Terms of Reference (ToR) that apply to all DCUSA Change Proposal Working Groups. Where the DCUSA Panel direct that additional ToRs should apply to the Working Group, these will be set out in Part B.

2 SCOPE

2.1 This Working Group has been established in order to carry out the Definition Procedure in respect of a Change Proposal pursuant to Clause 11.14.

2.2 The Working Group (and each member thereof) is responsible for assisting the DCUSA Panel in the evaluation of DCUSA Proposals by undertaking the following activities:

- Determining whether to consult with Parties, and (where appropriate) with any interested third party on the Change Proposal.

- Considering and clarifying the likely effects of the proposed variation to the Agreement, and indicating which Party Categories it considers will be affected by the proposed variation.

- Considering the impact and interactions with other industry codes when progressing the Change Proposal.

- Evaluating, developing and refining the proposed variation to the Agreement to the extent that it better facilitates the DCUSA Objectives.

- Providing both the Proposer and a majority of the Working Group are supportive, the developing and refining of a proposal may go beyond the stated intent (where reasonable and appropriate), as long as the Working Group ensures the changed intent meets the spirit of the original. In such instances the Working Group should notify the DCUSA Panel. The DCUSA Panel may redirect the Working Group if the revised intent is not reasonable and appropriate.

- Providing both the Proposer and a majority of the Working Group are supportive, the developing and refining of a proposal may include proposing to the DCUSA Panel that the status of the CP as either “standard” or “urgent” is changed. In such

instances the Working Group should provide the rationale for the change of status and an updated Working Group work plan to the DCUSA Panel. The DCUSA Panel will consider and make a determination on the proposal.

- Evaluating the likely impact of the proposed date for implementation of the variation, and where it considers appropriate, amending this date.

- Reviewing the CP legal text sufficiently once the DCUSA Legal Advisor has reviewed it prior to it being submitted to the DCUSA Panel as part of the Change Report.

- Considering whether, if the proposed variation were made, the Agreement would better facilitate the achievement of one or more of the DCUSA Objectives than if that variation were not made, and providing a rationale for this assessment.

3 DCUSA CHARGING METHODOLOGY CHANGES

3.1 Where a CP impacts the DCUSA Charging Methodologies, the Working Group is additionally required to ensure that the following actions are carried out prior to submitting the CP Change Report.

1. Where the CP impacts upon the CDCM Model, EDCM Models, Method M (CDCM Price control disaggregation) model, Extended Method M (EDCM Price control disaggregation) model and/or the Annual Review Pack, updated and fully tested models must be provided with the Change Report.

2. The version number of amended models must be updated in the CP legal text. The location of the version numbers is as follows:

    - CDCM Model – Schedule 16 paragraph 3(a)

    - CDCM Price Control Disaggregation Model - Schedule 16 paragraph 3(b)

    - EDCM FCP Model - Schedule 17 paragraph 1.3(a)

    - EDCM Price Control Disaggregation Model - Schedule 17 paragraph 1.3(b) AND Schedule 18 paragraph 1.3(b)

    - EDCM LRIC Model - Schedule 18 paragraph 1.3(a)

    - ARP – Schedule 20 paragraph 1.1

When updating the legal text for this, the version number and model publication date should be replaced by square brackets. A footnote should state that the date and model publication are "To be included by the Panel on implementation."

3. Once the modelling support consultant has provided updated models, if any changes are made to the legal text that have the potential to impact upon calculations, then the modelling support consultant should be asked to confirm that the model still meets the intent of the legal text.

4. The legal text should be cross checked against all approved but not implemented CPs to ensure that no two CPs are changing the same DCUSA paragraph.

5. Considering whether, if the proposed variation were made, the Agreement would better facilitate the achievement of one or more of the DCUSA Charging Methodology Objectives than if that variation were not made, and providing a rationale for this assessment.

4 DCUSA GENERAL OBJECTIVES AND DCUSA CHARGING METHODOLOGY OBJECTIVES

DCUSA General Objectives

- The development, maintenance and operation by the DNO Parties and IDNO Parties of efficient, co-ordinated, and economical Distribution Networks

- The facilitation of effective competition in the generation and supply of electricity and (so far as is consistent therewith) the promotion of such competition in the sale, distribution and purchase of electricity

- The efficient discharge by the DNO Parties and IDNO Parties of obligations imposed upon them in their Distribution Licences

- The promotion of efficiency in the implementation and administration of this Agreement

- Compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

DCUSA Charging Objectives

- that compliance by each DNO Party with the Charging Methodologies facilitates the discharge by the DNO Party of the obligations imposed on it under the Act and by its Distribution Licence

- that compliance by each DNO Party with the Charging Methodologies facilitates competition in the generation and supply of electricity and will not restrict, distort, or prevent competition in the transmission or distribution of electricity or in participation in the operation of an Interconnector (as defined in the Distribution Licences)

- that compliance by each DNO Party with the Charging Methodologies results in charges which, so far as is reasonably practicable after taking account of implementation costs, reflect the costs incurred, or reasonably expected to be incurred, by the DNO Party in its Distribution Business

- that, so far as is consistent with Clauses 3.2.1 to 3.2.3, the Charging Methodologies, so far as is reasonably practicable, properly take account of developments in each DNO Party's Distribution Business

- that compliance by each DNO Party with the Charging Methodologies facilitates compliance with the Regulation on Cross-Border Exchange in Electricity and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators

5 MEMBERSHIP

5.1 The Working Group shall comprise of at least five individuals who each have relevant experience and expertise in relation to the subject matter of the Change Proposal and whose backgrounds are broadly representative of the persons likely to be affected by the proposed variation to the Agreement.

6 CHAIRMANSHIP OF MEETINGS

6.1 The Working Group Chair will at all times be from a company that is Party and will be appointed by majority vote of attendees at the first Working Group meeting.

6.2 The Chair's role will be to chair meetings, facilitate discussions and establish a proposed way forward. The Chair shall act in accordance with the DCUSA Working Group Chair Guidelines.

6.3 If the Chair is not present after the time for which a Working Group meeting has been convened, the Working Group members present may appoint an alternate Chair for the meeting.

7 DUTIES OF WORKING GROUP MEMBERS

General

7.1 Working Group members shall act in accordance with Clause 7.33 of the DCUSA and in accordance with these Terms of Reference as determined by the DCUSA Panel.

7.2 Working Group members should become conversant with Section 1C of the DCUSA which sets out the DCUSA Change Control process.

7.3 Representatives should be prepared to:

- Provide the confirmation referred to in Clause 7.24.
- Engage and participate fully in the Working Group.
- Take actions to be completed outside of the Working Group meetings.
- Report back on views and actions taken.

Impartiality

7.4 Working Group members shall act impartially and shall not be representative of a Party, Group of Parties or Constituency.

8 SECRETARIAT

8.1 The Working Group shall, unless determined otherwise by the DCUSA Panel, develop and adopt its own internal working procedures. The Working Group will be supported by the Secretariat who shall be responsible for:

- Booking, convening and circulating notice of meetings.
- Circulating the agenda for each meeting of the DCUSA Issues Group at least 5 Working Days in advance of the meeting.
- Circulating minutes of the meeting no later than 10 Working Days following the meeting.
- Publishing all non-confidential meeting papers and minutes on the DCUSA website.

- Providing a report to the Panel from each meeting as appropriate, giving a summary of key issues and progress being made.

9 CONSULTATION WITH PARTIES

9.1 The Working Group may engage in further consultation with Parties and interested third parties before submitting its final Change Report to the DCUSA Panel.

9.2 The Working Group should adopt appropriate mechanisms where possible to ensure that Parties and interested third parties have a full understanding of the issues and are able to provide an informed consultation response.

9.3 If any person serving on the Working Group objects to any aspect of the final consultation draft that person may require the Working Group to include an alternative(s) solution in the final consultation to allow Parties to comment upon the alternative(s).

10 DECISION MAKING

10.1 Decisions will be by majority consensus of those Working Group members present at the meeting where the decision is taken.

11 APPROVAL OF EXPENDITURE

11.1 The Working Group shall seek the views of the DCUSA Panel before taking on any significant amount of work.

11.2 Where the Working Group requires instruction, clarification or guidance from the DCUSA Panel, particularly in relation to its Scope of Work, the Working Group Chair should contact the DCUSA Panel Secretary.

11.3 The DCUSA Panel will be responsible for the management of the costs of Secretariat services, legal costs and ancillary charges such as teleconferencing charges.

11.4 The expenses of those serving on the DCUSA Working Group will be managed in accordance with Clause 8.

12 TIMETABLE

12.1 The DCUSA Panel will determine the timetable for the progression of the Change Proposal. The initial assessment period granted to the Working Group will not exceed six months.

12.2 The Working Group shall, in the first meeting, produce a work plan to meet the timetable established by the DCUSA Panel for the Change Proposal and manage the timetable in all other meetings. An example of a Work Plan timetable is provided as Appendix 1 below.

12.3 The Working Group may apply to the DCUSA Panel for an extension setting out a clear justification for the request and providing an alternative timetable for progression of the Change Proposal where the work plan produced in 12.2 identifies the need for an extension. This shall be requested as soon as the proposed extension has been properly assessed by the Working Group.

13 REPORTING TO THE DCUSA PANEL

13.1 Working Groups will report directly to the DCUSA Panel. A report will be provided on progress of the Change Proposal to the Panel on a monthly basis together with any proposed amendments to the timetable.

13.2 The Working Group shall prepare a final Change Report to the DCUSA Panel setting out:

- The Party Categories eligible to vote on the Change Proposal.
- The proposed variation to the Agreement and any other alternate Change Proposals submitted.
- The likely effects of the Change Proposal if it was implemented.
- The proposed date for implementation.
- An assessment of whether there would be a material impact on greenhouse gas emissions if the CP were implemented.
- A summary of the views of the Working Group as to whether, if the proposed variation were made, the Agreement would better facilitate the achievement of the DCUSA Objectives than if that variation were not made;
- Any responses received to the consultation process conducted by the Working Group.
- Why the Working Group considers that the proposed variation better facilitates the achievement of the DCUSA Objectives than any alternative variation.

13.3 Any unresolved comments within the Working Group must be reflected in the final Change Report.

13.4 The Chair (or another member nominated by the Chair) will present the Change Report to the DCUSA Panel as required.

DCP 268 'DUoS Charging Using HH Settlement Data' Work Plan

No.	Event	Target Date
1.	Working Group to meet to review the consultation two responses	17 March 2017
2.	Electralink to draft skeleton Change Report and circulate to the Working Group for review	March 2017
3.	Legal text issued to the DCUSA legal consultant for review	March 2017
4.	ElectraLink to circulate draft legal text to Working Group members once received from the legal advisor	April 2017
5.	Meeting to finalise the Change Report, review the legal consultant comments on the DCP 268 legal text and consider the DCP 268 model	April 2017
6.	Change Report submitted to DCUSA Panel (Panel paper day)	10 May 2017
7.	DCUSA Panel approves Change Report	17 May 2017
8.	Change Report issued for voting	19 May 2017
9.	Voting Closes (three weeks)	09 June 2017
10.	Change Declaration issued	13 June 2017
11.	Ofgem Decision	18 July 2017
12.	Implementation Date	01 April 2019